



Customer Relationship Management Call Center IPT - Version 2

Best-In-Business Analysis





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Executive Summary

Customer Relationship Management (CRM) sets a goal for the organization to work towards. Successful companies will take an “outside-in” view of the organization or plan from the customer’s point-of-view. The process should lead to developing the capabilities to:

- Understand the customer
- Commit the organization
- Deliver a personalized service

Overview of CRM IPT

- The Customer Relationship Management (CRM) Call Center IPT has been established, as a result of an SFA-wide effort to cultivate relationships with all of SFA’s customers, to examine the current state of call center operations and to recommend improvements for the future.
- The Students channel was given the organizational lead for these efforts since the largest Call Centers are in the Student’s Channel.
- The team members have come together from all areas of SFA to establish a charter, map process flows and establish the goals for this IPT.

Purpose of Understanding Best Practices

- Best Practices help organizations become more efficient and effective by determining the business trends.
- Understanding Best Practices leads to focusing improvements on the areas which will gain the most benefit.
- An understanding of all the business trends in CRM will give a picture of the ideal organization and help determine the steps to becoming that organization to the customers

Purpose of Best-In-Business Sub Team:

- Identify Best Practices in the following areas:
 - Improving customer satisfaction
 - Reducing unit costs



- Improving customer relationship management in a timely manner
- Promoting electronic business while maintaining easy access to paper for customers without electronic access

The sub team will accomplish this purpose by the following methods:

- Investigating Best Practices in Customer Relationship Management and Call Centers from acknowledged leaders in the field
- Compiling the Best Practices information into a document which will be used in completing a Gap analysis between the Best-In-Business and Current State Analysis

Criteria for Determining a Best Practice

The team identified Best Practices by examining which companies demonstrate the following criteria:

- Improve on traditional industry standards/metrics
- Increase overall customer satisfaction and ability to reach out beyond traditional metrics
- Establish trends by demonstrating effectiveness
- Extend the lifetime value of a customer
- Extend effectiveness of Call Center through use of technology (comprehensive, one-stop call, multiple contact points)
- Improve the employees' abilities to be more customer focused (well trained agents, increased CSR effectiveness, distribution of work)
- Strive towards more efficient customer interaction (bilingual prompts, warm hand-offs)
- Change the management structure and company strategies which will increase Call Center effectiveness

The Best In Business set very high standards by implementing CRM practices that address the needs of the customers that company serves. The customer should always be the center for decisions.



Methodology

Overview of CRM IPT

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- The team members have come together from all areas of SFA to establish a charter, map process flows and establish the goals for this IPT.

Purpose of CRM IPT:

- Improve customer satisfaction
- Investigate Best in Business Call Center practices
- Reduce unit costs
- Recommend improvements for customer relationship management in a timely way
- Promote electronic commerce while maintaining access to paper options for customers without electronic access

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Customer Relationship Management Leaders

Leaders in CRM were classified into three categories. These categories were the following:

- Knowledge experts (companies with CRM portfolios, market analysts, industry research)
- Practitioners (companies recognized for world-class implementation of CRM solutions and customer satisfaction ratings)
- Enablers (companies that provide the tools to implement CRM)

Organization of the CRM Call Center IPT

- Students Channel chartered the IPT
- Charter established core team of advisors from all areas of SFA
- Core team created guidelines for accomplishing goals of the IPT
- Core team created the Best-in-Business sub team to identify Best Practices in CRM today and to explore developing trends
- Core team also created the Current State Analysis sub team to compile an inventory of the SFA Call Centers today and the Quick Hits sub team to address some easy to implement solutions

Best-in-Business Participants

- Members with proper competencies to gather and understand the Best Practices in CRM
- SFA employees from all areas of its customer contact were enrolled as participants
- Contractors that are involved in the operations of the major SFA call centers
- Acknowledged experts in the field of CRM

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- Strive towards more efficient customer interaction (bilingual prompts, warm hand-offs)
- Change the management structure and company strategies which will increase Call Center effectiveness

These criteria were validated by industry experts. The information was then gathered through white papers, case studies, presentations, site visits, and interviews. Next, the information was compared against these criteria to complete a list of the Best Practices in the categories defined by the sub team. The result of this process is the following Best Practices document which has been reviewed by the sub team, the core team, and the IPT sponsor.



Customer Relationship Management Best Practices

The idea of Customer Relationship Management has been around for a long time. However, large organizations have only recently begun to address it as a key business strategy. Small, localized businesses have succeeded by knowing each customer and addressing their needs on an individual basis. A more informed customer base with higher expectations now drives the move towards CRM for large organizations. A dissatisfied customer has very few barriers to keep from transferring to a company that can better serve its customers. Now, it is the responsibility of any large organization to address the individual needs of every customer with results comparable to the small, local business interaction. A study of the practices implemented by Best-In-Business companies allows one organization to understand the practices which are working for another. These studies were documented through presentations, site visits, interviews and documentation review of successful practices. In addition, this document will reveal the theory behind implementing these practices. Any organization which studies the practices of similar industries or business strategies must remember to analyze the compatibility of the practices with its own situation.

This study groups the practices of Customer Relationship Management into seven categories. The practices are further grouped within sub-classifications to identify related items. The groupings are shown in Figure 1.

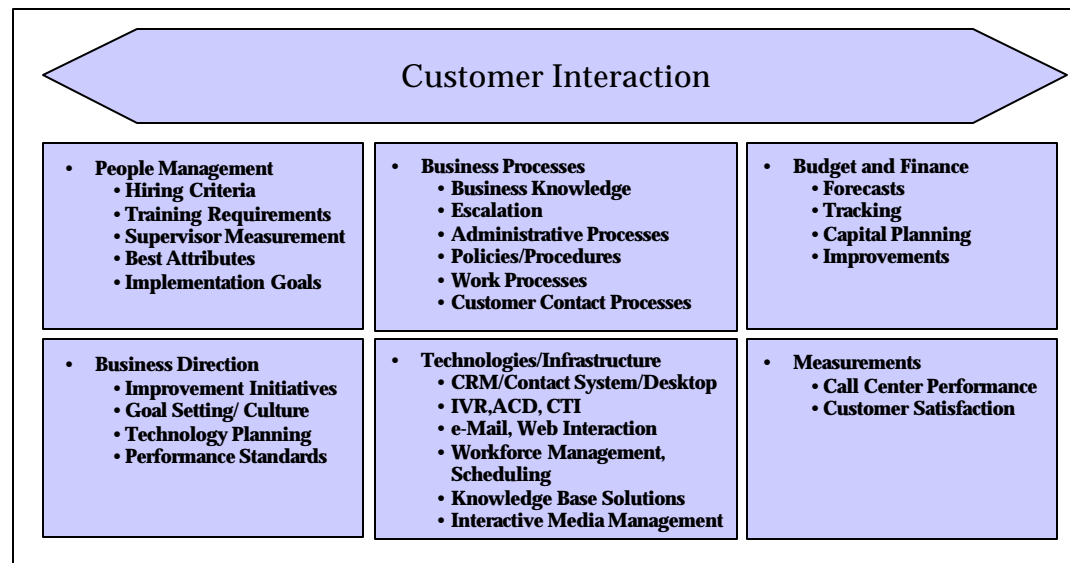


Figure 1 – Best Practices Categories and Sub-Classifications

As Figure 1 illustrates, all functions within a CRM organization address the interaction with the customer as the number one focus.



The information contained in each of these categories is not mutually exclusive. In almost every instance, there are overlapping categories where these practices can be placed. This overlap indicates the need for constant interaction between each area of an organization to ensure all appropriate issues are being addressed. It also indicates that every part of the Customer Relationship Management strategy is important and can not be excluded from the other parts of the organization.



Customer Interaction

The customer is the asset that keeps an organization viable. Customer satisfaction is a goal that every organization must strive for every day. One of the most difficult exercises in preparing to interact with customers is to make sure all customers are represented. Defining the customer base will determine how interactions with all partners involved are conducted. These interactions establish the overall service received by a customer. In a market where there is very little difference between the products offered by individual companies, service becomes the key differentiating factor. Every interaction with a customer provides another opportunity to extend the life of that customer. Complaints should be viewed as an opportunity to gain or increase the loyalty of the customer. Customer interactions can be formal, such as Call Centers conversations, or informal, such as visiting a web site. The timing of a customer interaction is determined by the customer and is very seldom determined by the organization. A business must be prepared to interact at any time of the day and on any day of the week. In order to accomplish this, multiple interaction channels must be created with qualified staff available to address each one.

Strategic Objectives	Best Practice	Potential Application / Notes
Improve Customer Satisfaction	Maintain 24x7 hours of operation	<ul style="list-style-type: none"> Try to have some form of availability at all hours, but not necessarily live help
Improve customer service	Optimize the contact center to offer speed to resolution for as many customers as possible	<ul style="list-style-type: none"> Pass more decision-making, problem-solving authority to the frontline Simplify options Clarify rules and regulations Exercise escalation procedures Use as few 800 numbers where possible
Improve customer satisfaction Reduce unit costs	Minimize customer's wait time to the service he/she seeks	<ul style="list-style-type: none"> Use predictive planning and nimbly assign resources to volumes in real time Plan and thoroughly document efficient call flows Model planned forecasts to predict call volumes Predict trunk needs to maintain minimal blockage
Improve customer service to every customer from initial contact	Route customers with special needs to appropriate agents.	<ul style="list-style-type: none"> Ensure a VRU language option available Provide bilingual operators and escalation supervisors Enable system for TTY



Strategic Objectives	Best Practice	Potential Application / Notes
Improve customer service	Learn from mistakes and address customer complaints as an opportunity	<ul style="list-style-type: none"> Set up a rapid response to customer complaints and dissatisfaction Analyze the cause and effect of complaints Make process/system changes when service can be improved Make apologies and provide restitution when necessary
Increase customer satisfaction	Develop a centralized database and customer care operation that customers can access from anywhere in the world	<ul style="list-style-type: none"> Recognize customer loyalty (higher customer retention rate) leads to cost effectiveness and triggers a chain of benefits including retention of the best employees
Improve customer relationship management in a timely manner	Deliver individualized service in the areas each customer values most and effectively manage mass-market customers through CRM	<ul style="list-style-type: none"> Categorize customers by their key characteristics, needs and values to the company (ex: B2B, B2C, B2B2C)
Improve customer relationship management	Focus on Optimization, Automation, and Interaction	<ul style="list-style-type: none"> Focus on Optimization – not just Automation and Interaction Assess each action that touches the customer for its contribution to ultimate customer goals
Improve Customer Satisfaction	Assign customers an agent or a team of agents	<ul style="list-style-type: none"> Create familiarity with customer
Improve Customer Service	Have multi-lingual capabilities, especially Spanish	<ul style="list-style-type: none"> Provide Spanish speaking operators Offer automated answering options in Spanish
Improve Customer Satisfaction	Allow multiple methods of interaction	<p>Some of these methods include the following:</p> <ul style="list-style-type: none"> 800 numbers TTY Fax Email Web List serve Integrated channels to allow customers to use preferred method of contact Data synchronization and equal support is available to all channels



Customer contact should be receive the same level of interaction regardless of the method chosen to communicate. Figure 2 shows the methods of contact a customer can chose and how they are routed to an appropriate Call Center. Handling the customer interactions in such a manner will allow for an increase in customer satisfaction and provide the opportunity for employees to be use the unique skills each one possesses.

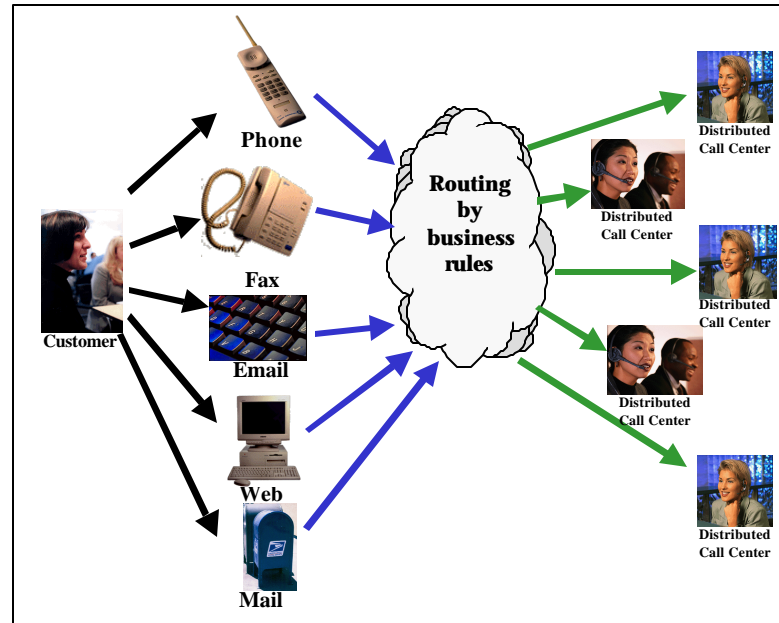


Figure 2 – Customer Interaction Options



People Management

Highly skilled and satisfied employees are the backbone of a successful organization. The processes behind attracting, retaining, and satisfying the best skilled employees have to be reflected within industry best practices. Sustaining employee commitment to the organization and its goals will lead to improved customer relationships. Employees of a Contact Center include CSRs, managers, quality assurance agents, and support staff.

Strategic Objectives	Best Practice	Potential Application / Notes
Hiring Criteria		
Reduce unit cost	Create selection process for hiring staff to find skilled people	<ul style="list-style-type: none"> Outline specific job skills that are required to be an effective CSR Carefully select 2 or 3 staffing agencies to outsource the hiring function
Increase employee satisfactions Improve customer relationship management	Forecast by seasonal periods to better project staffing requirements throughout the year	<ul style="list-style-type: none"> Consider peak seasons for customer demand when setting staffing/hiring criteria (such as, high loan disbursement periods and graduations)
Training Requirements		
Increase employee satisfaction	New employee orientation	<ul style="list-style-type: none"> Every organization member, from the new clerk trainee to the head of the organization, receives orientation training in the organization's mission, vision and guiding principles before they start to work at world-class organizations. Senior executives personally conduct or participate in all sessions. This shows top leadership's commitment to promoting the organization's quality culture. Quality assurance and CSRs take the same introductory training at Census 2000



Strategic Objectives	Best Practice	Potential Application / Notes
Increase employee satisfaction Increase customer satisfaction	Offer and promote regular training and outside learning	<ul style="list-style-type: none"> Provides the best trained, most skilled and knowledgeable workforce to work with customers Feedback from customer points of contact. Maintain both a market and technology knowledge-base USAA: Average 16 week CSR training per year
Improve customer relationship management Increase employee satisfaction	Centralize training	<ul style="list-style-type: none"> A centralized training center ensures that all new employees receive identical training opportunities. Following the initial classroom instruction, trainees are usually assigned a veteran employee to act as mentor and assist the trainee with on-the-job learning until he or she is able to function independently Centralized organization allows a company to train-the-trainer which will in turn reach a broader audience in a shorter period of time Centrally organized training audits allow an organization to closely monitor content and effectiveness of the courses being taught.
Increase employee satisfaction	Offer career enhancement and growth paths for all levels of employees	<ul style="list-style-type: none"> Offer developmental rotation shifts Implement rotation patterns that will allow cross-training and break monotony
Supervisor Management		
Improve customer relationship management	Divide employees into self-directed teams	<ul style="list-style-type: none"> Teams create sense of ownership to the process
Increase employee satisfaction	Involve employees in all aspects of planning and decision-making process	<ul style="list-style-type: none"> Cross-functional teams
Increase employee satisfaction	Offer employees flexibility in the hours worked to accommodate employee preferences and Call Center needs	<ul style="list-style-type: none"> 5, 8 hour shifts 4, 10 hours shifts Part-time Flextime, shared with another employee Weekends



Strategic Objectives	Best Practice	Potential Application / Notes
Best Attributes		
Improve customer relationship management Increase employee satisfaction Reduce unit cost	Retain continuity and depth of knowledge at the frontline Clearly define job skills	<ul style="list-style-type: none"> ▪ Empower frontline to resolve issues without higher approval. ▪ Keep attrition rate to single digits



Business Direction

The strategic decisions made by the management of a Contact Center affect the ability of the organization to provide Customer Relationship Management. The organization's structure and procedures for reporting performance, planning, goal setting and providing power to employees have a direct impact on building a relationship with the customer. The method in which a vendor chooses to conduct relationships also plays an important role. It allows for the ability of the Contact Center to interact with the customer in the manner expected by all parties. Management interaction is also required in keeping the organization focused on the customer relationships.

Strategic Objectives	Best Practice	Potential Application / Notes
Improvement Initiatives		
Improve customer relationship management	Partner with Call Center vendors through co-managed sites	<ul style="list-style-type: none"> Place a full-time employee at the Call Center site to help guide decisions and ensure quality
Improve customer relationship management in a timely manner	Align company strategy and competitive advantage with Customer Relationship Management	<ul style="list-style-type: none"> Increase effectiveness through marketing automated applications which are tied with both the customer data warehouse and customer analysis Increase effectiveness through sales tools and methodologies which qualify sales prospects more quickly and better target proposed solutions Improve customer service with good integration to up-front sales and marketing processes aimed at improved customer coordination
Increase employee satisfaction	Educate other areas of the organization about the role of the call center	<ul style="list-style-type: none"> Train managers in marketing, finance, information systems and human resources in understanding the environment in which call centers operate Generate support for the call centers from all organizational departments



Strategic Objectives	Best Practice	Potential Application / Notes
Reduce unit costs	Consider the business and operational objectives of the organization when setting strategies and find a balance	<ul style="list-style-type: none"> Business objectives build customer intimacy and loyalty Operational objectives measure performance
Goal Setting / Culture		
Increase customer satisfaction Increase employee satisfaction	Create an enterprise culture through the commitment of management which is focused from the bottom up on delighting its customers.	<ul style="list-style-type: none"> Management is visible in its support of customer service Management creates customer listening posts to establish a customer feedback loop The enterprise is organized to support activities at the frontline Symbols and signals include tangible (ex: plaques, facilities) and intangible (ex: recruiting practices, HR policies, recognition programs) which continuously reinforce mission and drive desired behaviors.
Improve customer satisfaction	Create goals aimed at gaining customer loyalty	This is a step higher than customer satisfaction and would include some of the following examples: <ul style="list-style-type: none"> Callbacks Personalization Instant escalation Create customer interaction personalization
Increase customer satisfaction	Instill customer service and satisfaction principles throughout the enterprise	<ul style="list-style-type: none"> Customer satisfaction is identified as the main goal of the Call Center through communications, performance measures, and actions



Strategic Objectives	Best Practice	Potential Application / Notes
Improve customer relationship management Increase customer satisfaction	Provide the necessary resources to meet the goals of an agreed-upon vision and business model aimed at customer care	<ul style="list-style-type: none"> ▪ Invest heavily in hiring and training employees ▪ Provide expert systems ▪ Empower employees ▪ Define customers and prospective customers ▪ Establish how the organization intends to communicate with and help customers, and how customers will contact the organization ▪ Determine the call center's role with regard to communications, marketing and sales
Performance Standards		
Improve customer relationship management	Analyze customer contacts to determine customer needs	<ul style="list-style-type: none"> ▪ Determine call volume distribution ▪ Gain understanding of call types/questions ▪ Data mining analysis
Reduce unit costs Increase employee satisfaction	Provide consolidated call center reporting through automatically integrated information at the transaction level with enterprise or selective views of the customer through a common database	Benefits from consolidated call center reporting include: <ul style="list-style-type: none"> ▪ Increasing agent productivity ▪ Measuring service level by customer ▪ Resolving problem call ▪ Abandoning customer callback ▪ Increasing supervisor/ manager efficiency ▪ Analyzing call center technology performance ▪ Providing executive management with meaningful info



Business Processes

To accomplish proper customer relationships, processes must be developed to ensure consistency and to align resources. All processes should be evaluated to determine the impact on the customer. If a process makes it harder for a customer to conduct business, then it is a candidate for reengineering or elimination. The result of this analysis should be optimal performance and effectiveness of the organization.

Strategic Objectives	Best Practice	Potential Application / Notes
Business Knowledge		
Improve customer relationship management	Post performance measures	<ul style="list-style-type: none"> ▪ Distribute weekly performance measures ▪ Project real time performance measure information on a screen in the front of the call center ▪ Scroll operator level performance information across CSR monitor
Increase customer relationship management in a timely manner	Answer customer contacts in the same manner regardless of type of contact	<ul style="list-style-type: none"> ▪ Use automatic response systems to generate and send appropriate responses through the customer's chosen channel ▪ Route email messages to the appropriate agents ▪ Create rules for determining appropriate email responses
Escalation		
Improve customer relationship management	Develop and implement a "Tiered" organizational structure	<ul style="list-style-type: none"> ▪ Tier 1- Generalists ▪ Tier 2- Resolve escalated calls ▪ Tier 3- Advance problem resolution
Improve customer relationship management in a timely manner	Create escalation procedures to respond to events as quickly as possible	<ul style="list-style-type: none"> ▪ Utilize business rules based on previous customer transaction histories ▪ Utilize customer profiles to prompt CSR to prepare proper service ▪ Trigger escalation process automatically ▪ Real-time escalation (during contact)
Improve customer relationship management in a timely manner	Retain appeals process functions of an Ombudsman office	<ul style="list-style-type: none"> ▪ Train agents to be customer focused and empower them to resolve customer complaints ▪ Utilize Ombudsman as a transition strategy for all non-appeals related complaints, the Ombudsman should work itself out of a job



Strategic Objectives	Best Practice	Potential Application / Notes
Improve customer relationship management in a timely manner	Optimize customer relationships by moving beyond simple automation of customer-facing processes	<ul style="list-style-type: none"> Develop strategies which improve service to best customers Implement processes which quickly identify and automate response to routine issues that could cause broad dissatisfaction
Improve customer relationship management in a timely manner Reduce unit costs	Integrate front office and back office to fulfill customer's entire need	<ul style="list-style-type: none"> Complete customer contacts through the fulfillment phase in order to be an effective contact
Improve customer relationship management in a timely manner	Protect account privacy through established security procedures	<ul style="list-style-type: none"> Limit access to only the essential information Reveal account information on-screen only during the current call
Improve customer satisfaction	Program the IVR for minimum effective levels and choices	<ul style="list-style-type: none"> Implement 3x4 or 4x3 Utilize short scripts or it will defeat the purpose of IVR
Work Processes		
Increase employee satisfaction Reduce unit costs	Eliminate redundant tasks	<ul style="list-style-type: none"> Move repetitive tasks to the IVR or other automated system, such as the internet Educate consumers to use these channels
Improve customer satisfaction Reduce unit cost	Capture and manage information about all customer interactions in the data warehouse	<p>Create customer profiles, including the following fields:</p> <ul style="list-style-type: none"> Contact information and account status Product/service purchase history Customer service history Satisfaction survey results Demographics Behavioral characteristics Preferential data such as time of day and communication channel Click-stream data, gathered through the Internet as customers visit our web site Affinity or loyalty program status and history



Strategic Objectives	Best Practice	Potential Application / Notes
Improve customer satisfaction Reduce unit cost	Use data mining analysis and artificial intelligence techniques to enable description and prediction of customer habits and needs	<ul style="list-style-type: none"> ▪ Techniques include the following: <ul style="list-style-type: none"> ▪ Utilizing market based analysis to bring together transactions that tend to occur together ▪ Implementing memory-based reasoning records which correlate past transactions to help predict future behavior ▪ Applying cluster analysis ▪ Developing artificial neural networks ▪ Utilizing link analysis ▪ Developing decision trees and rule induction ▪ Implementing genetic algorithms ▪ Using online analytical processing ▪ Enables faster response ▪ Helps organization to understand and predict customer behavior and needs ▪ Success depends predictability and repeatability of questions ▪ Auto categorization of questions and answers should be facilitated by agents
Reduce unit costs Increase customer satisfaction	Align business objectives with customer service to be quick, complete and seamless to the customer	<ul style="list-style-type: none"> ▪ Align internal business processes, budget, investment, recruitment, planning, etc to support frontline customer contacts ▪ Provide continuous learning/feedback loops ▪ Promote incentives driving positive behaviors ▪ Utilize frontline surveys on process and technology ▪ Treat all transfers, web contacts, fax, etc uniformly
Customer Contact Processes		
Reduce unit costs Increase customer satisfaction	Keep issue files open until ticket is resolved	<ul style="list-style-type: none"> ▪ Track issues for completion in order to allow the Contact Center to know that a customer's issue is resolved



Strategic Objectives	Best Practice	Potential Application / Notes
Improve customer satisfaction	Use context-enhanced marketing to market to customers based on transaction information	<ul style="list-style-type: none"> Utilize data from previous interactions to better serve a customer in the future <p>(Example: A customer chooses Spanish as his/her preferred language; the account prompts Spanish to be used for all future transactions and interactions)</p>
Increase customer satisfaction	Monitor interactions with customers for consistency and effectiveness	<ul style="list-style-type: none"> Monitor phone conversations remotely Check e-mail for accuracy and appropriateness

Automating the most common tasks will reduce the number of redundant tasks a CSR has to complete each day. Encouraging customers to use automation to complete simple tasks through self help in an IVR or on the web will increase customer satisfaction, reduce unit costs, and increase employee satisfaction. Employees will have the time to answer difficult questions that require more time and customers will get the information they want in a timely manner. Figure 3 shows the levels of support which are required to assist customers as tasks are moved to automation.

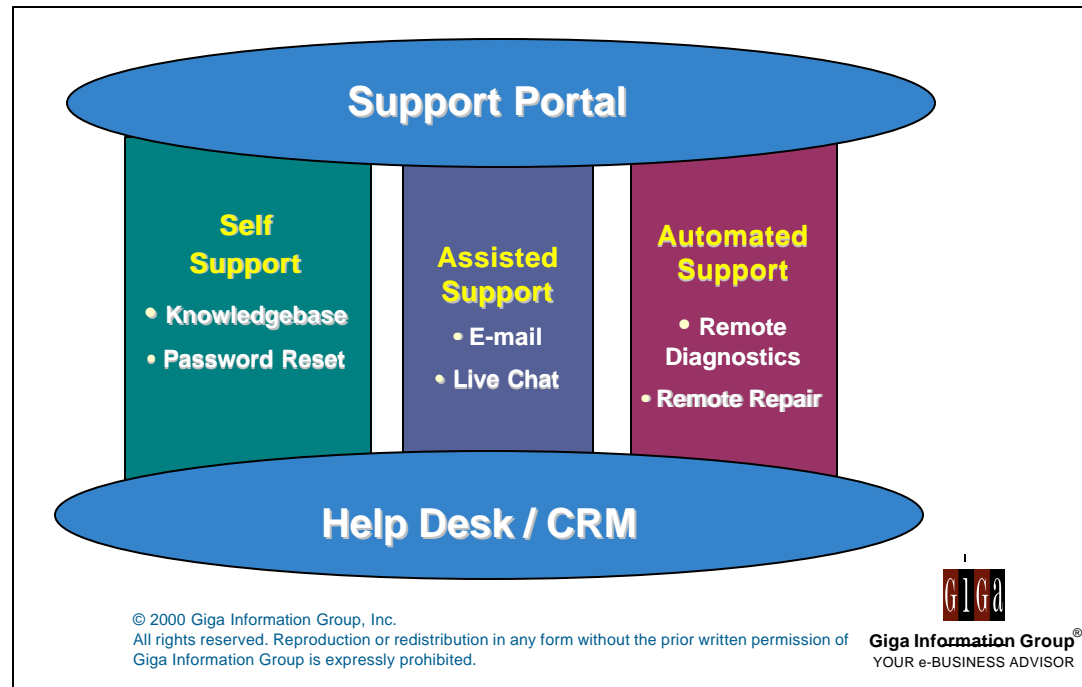


Figure 3 – Using New Tools to Provide Support



Budget and Finance

Customer Relationship Management is a business strategy that drives the behaviors of an organization. Development of the strategy involves intensive planning and proper funding. The traditional methods of budgeting and measuring return on investment are not effective in an all-inclusive CRM organization. Budgeting must consider the satisfaction of the customer as the number one goal. Long term return on the relationships being built will show the actual advantage to the investments.

Strategic Objectives	Best Practice	Potential Application / Notes
Forecasts		
Increase employee satisfaction Improve customer relationship management	Make a long-term investments as recognition for Call Centers vital roles in a comprehensive CRM plan	<ul style="list-style-type: none"> Ensure that the finance and marketing departments recognize the call center's contribution to the bottom line and in sustaining relationships with customers (based upon revenue and customer retention) Reinforce the customer service vision through all contact points and coordinate it to the advantage the customer Sell the services internal and externally as a strategic advantage
Reduce cost	Provide a cost benefit analysis of investments	<ul style="list-style-type: none"> Receive approval from IT Review Board
Tracking		
Reduce cost	Track cost and benefits of any technology standardization	<ul style="list-style-type: none"> Allow access of Return on Investment and Cost Benefit Analysis to stakeholders, finance, and auditors Develop return on relationship tracking
Reduce cost	Track the actual cost for projects and broadcast the results	<ul style="list-style-type: none"> Provide informed buy-in and acceptance of cost benefits



Strategic Objectives	Best Practice	Potential Application / Notes
Capital Planning		
Reduce cost/customer satisfaction	Include a line item to continue enhancements to CRM systems and processes	<ul style="list-style-type: none"> Promote the maintenance of CRM practices since it is as important at the initial implementations Ensure capital planning reflects the increase or decrease of services provided to the customer
Improvements		
Improve customer relationship management in a timely manner	Respond to the business needs of CRM by making investments which produce tangible near-term value as well as long-term growth	<ul style="list-style-type: none"> Focus on business-centric goals rather than technology-centric ones (ex: increasing customer retention of high-value customer segment) Focus on near-term business benefits



The relationships built by CRM should be measured by the lifetime value of the customer. By extending the life of a customer, an organization can realize the benefits from continuing to work with the same customer over a long period of time. Customer loyalty can lead to increased awareness of the programs offered by an organization. The organization will also benefit from the increased participation in its programs from new customers. Figure 4 shows the return on the relationship that is gained as the customer's knowledge of the company grows and the company's knowledge of the customer grows.

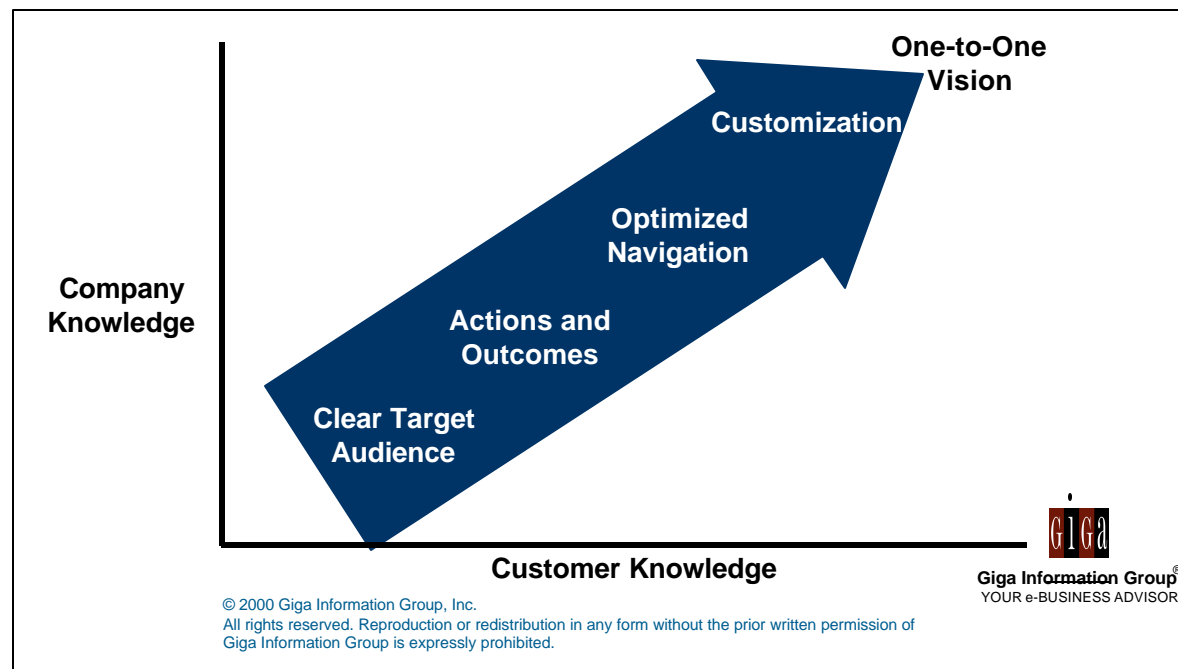


Figure 4 – Measuring Return on the Relationship



Technology

Technology is an enabler that allows businesses to enhance the Customer Relationship Management experience for everyone involved. Organizations must be able to view each customer as a unique opportunity to offer service and gain loyalty. As companies grow larger and gain a wider customer base, technology enables the processes for optimizing each customer interaction. New technologies such as the internet, Computer Telephony Integration (CTI), and e-mail have changed the way customers interact with companies.

Understanding how customers communicate with the organization and understanding how that information is shared within the organization can help in gaining an holistic view of each customer. Figure 5 illustrates how the internal and external communication platforms must be integrated with the entire organization's CRM systems.

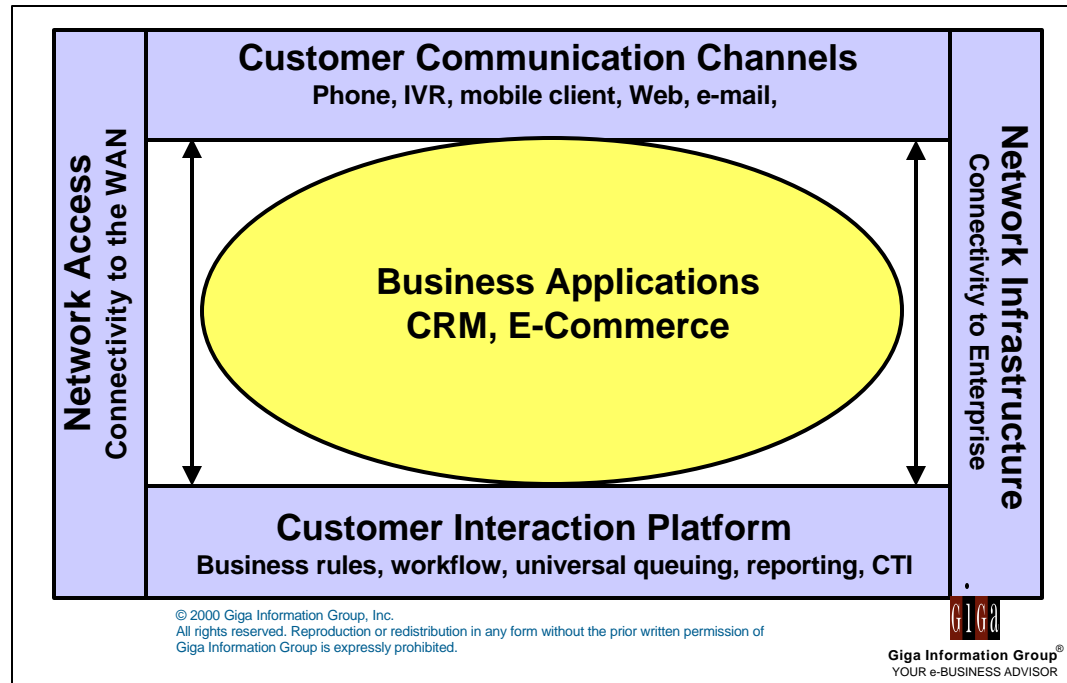


Figure 5 – Integrated Communications Platform



Strategic Objectives	Best Practice	Potential Application / Notes
CRM, Contact Systems, and Desktop		
Promote electronic business while maintaining easy access to paper	Utilize CRM products which customize solutions and optimize customer relationships	Utilize products which can do the following: <ul style="list-style-type: none"> ▪ Accentuate a customer solution based on the type of customer (ex: B2B) ▪ Highlight the complexity of the interaction (ex: degree of assistance required) ▪ Determine the primary method of increasing awareness (ex: direct, e-commerce)
Increase customer relationship management in a timely manner	Implement a contact tracking system to monitor status of customer interactions	<ul style="list-style-type: none"> ▪ Call tracking can monitor tickets through the entire process until closure
Interactive Voice Response, Automatic Call Distribution, and Computer Telephony Integration		
Reduces unit costs Increases customer satisfaction	Integrate IVR System with call center processes to ensure consistency	<ul style="list-style-type: none"> ▪ Set IVR system to prevent customers from waiting to speak to the appropriate person by allowing transfers without use of CSR aid ▪ Build in flexibility for future applications, such as PIN #'s, speech recognition, & multiple languages ▪ Enables customers to check status ▪ Decreases the number of calls going into the general queue when properly directed would be placed with the first time customer department ▪ Allows for additional time coverage
Improve customer relationship management	Utilize Automatic Call Distributors (ACDs) for call routing	<ul style="list-style-type: none"> ▪ Expert agent, best services routing ▪ Skill-based routing ▪ Provides hold music ▪ Tracks key metrics
Improve customer satisfaction Reduce unit cost Improve employee satisfaction	Provide customers with an informed queue	Informed queues offer customers: <ul style="list-style-type: none"> • Estimated Wait Times – this must be accurate to be effective • Information on self service options • Products available • Other services available • Offer call-back features



Strategic Objectives	Best Practice	Potential Application / Notes
Increase customer satisfaction Improve customer relationship management	Utilize Computer Telephony integration (CTI) by providing quickly accessible current information, screen pops and warm transfer of voice and data.	Utilize the following technologies and processes: <ul style="list-style-type: none"> ▪ Screen Pops/automated information population on-screen ▪ Warm transfer of voice and data through CTI ▪ Number capture ▪ Predictive dialing ▪ ANI in capture
Improve Customer Relationship Management	Package end-to-end solutions for the customers	<ul style="list-style-type: none"> ▪ Create an integrated solution approach for customers by blurring the boundaries between phone, web, email, and fax ▪ Utilize interactive media servers provide queuing routing of voice, Web transactions, fax and e-mail to the most appropriate recipient. These servers integrates the Web and e-mail with the phone and enterprise applications. ▪ Support CTI, workflow, intelligent routing and reporting of all media transactions.
Improve customer relationship management	Utilize E-mail and fax management systems	Implement the following technologies: <ul style="list-style-type: none"> ▪ Auto answer ▪ Auto routing ▪ Auto receipt response ▪ Auto categorization
Knowledge Base Solutions		
Improve customer relationship management	Utilize a knowledge management system which contains a customer contact database and a question resolution database	<ul style="list-style-type: none"> ▪ Implement knowledge management to allow information sharing across the organization consistency in answers



Strategic Objectives	Best Practice	Potential Application / Notes
Workforce Management & Scheduling		
Offer customers outstanding service consistently	Implement state of the art workflow processes tools to manage and smooth out volumes	<ul style="list-style-type: none">▪ Develop models for forecasting and the setting of work schedules based on prior activity▪ Design and implement variety of work schedules▪ Dedicate control desks and monitor volumes, operator assignments, schedules, and projections in real time▪ Consider non-telephone workloads when making staffing adjustment decisions▪ Monitor and manage call processing and adherence to staffing schedules in real time



The technology used to improve the CRM capabilities of Call Centers must integrate with the overall architecture of the organization. The architecture should be designed to capture customer information from all points of contact. Figure 6 depicts a sample architecture for the Department of Education that captures the customer information from all sources and provides it to the appropriate sources.

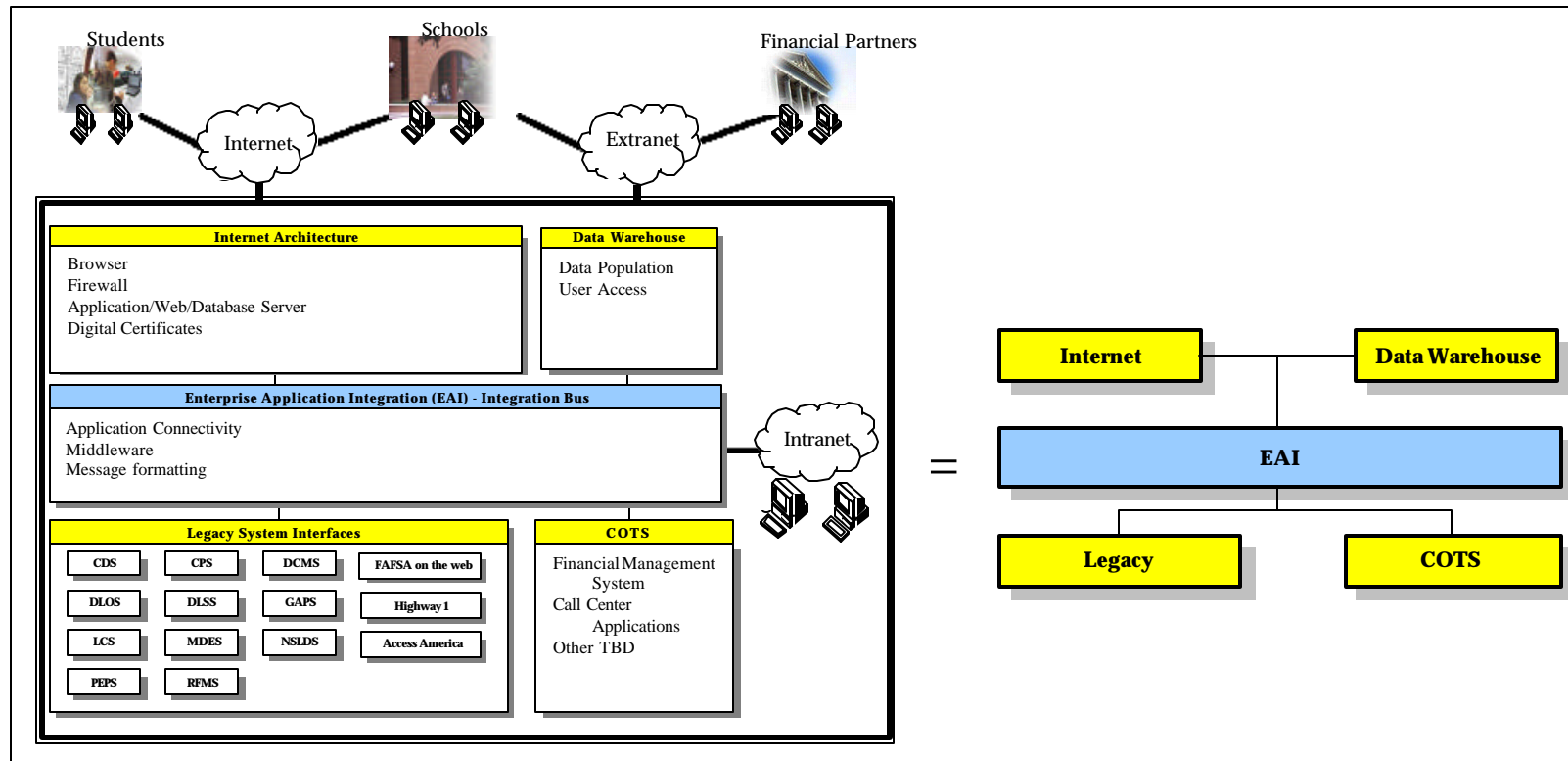


Figure 6 – Sample Organization Architecture to Capture Customer Information



Measurements

Measurement is a structured approach to measuring the execution of strategic objectives and customer satisfaction. The processes for implementing measurements include defining organization, departmental and individual performance measures which are driven by strategy and linked to business processes. Measures must be aligned with the strategic objectives of the organization and monitored with great care. When collecting measurements, the organization must be aware of the long term impact and clearly define the meaning of the measurement. The processes being measured and the way they are measured determines the work that gets done. These measurements are grouped by Call Center Performance and Customer Satisfaction sub-classifications.

Strategic Objectives	Best Practice	Potential Application / Notes
Customer Satisfaction		
Improve customer satisfaction	Create means of gaining customer input on process	<ul style="list-style-type: none"> Form focus groups or a central e-mail suggestion box to be used by employees and customers
Increase customer satisfaction Decrease unit cost	Use customer satisfaction metrics to help drive marketing, operations, and business strategy	<ul style="list-style-type: none"> Capture customer satisfaction data from all channels (phone, mail, Internet, etc.) Track satisfaction over the long-term by establishing a score for each customer to develop satisfaction indices Apply indices on a customer-by-customer basis to create marketing offers designed to increase profitability and customer satisfaction
Improve customer satisfaction Reduce unit cost	Use new metrics to measure the return of marketing campaigns	<ul style="list-style-type: none"> Customer lifetime value analysis Marketing return-on-investment Customer profitability analysis Customer satisfaction indices
Improve customer satisfaction	Use referral marketing to capitalize on satisfied customers	<ul style="list-style-type: none"> Identify satisfied customers and solicit them to provide testimonials about products and services



Strategic Objectives	Best Practice	Potential Application / Notes
Increase customer satisfaction	Define and collect measurements based on quality of service as perceived by customers regularly	<ul style="list-style-type: none"> Utilize customer indexes
Call Center Performance		
Reduce unit costs	Clearly defined performance measures that are standard across the entire service organization.	<ul style="list-style-type: none"> Include service quality, productivity, cost and control in measurements
Improve customer satisfaction Improve customer relationship management in a timely manner	First contact resolution >90%	<ul style="list-style-type: none"> Resolve without a second contact
Increase customer satisfaction	Provide customers access to the company at all times	<p>Allow access to the call center and its services is the organization's top priority and is reflected in such key call center measures.</p> <p>This includes the following characteristics:</p> <ul style="list-style-type: none"> 24 hour availability 15-second maximum queue times 2 percent maximum abandoned call rate "Zero instances" typical busy-out performance standard <p>Ensure effective capacity planning, forecasting and resource allocation to meet customer access requirements.</p>



Sample Performance Measurement Benchmarks

Below is a table listing examples of cross-industry call center operations metrics along with benchmarking study data. As opposed to a comprehensive listing of all operational metrics, the table reflects key metrics World-Class customer service organizations typically focus on as predictors of customer satisfaction. Industry-specific metrics should be customized to address the unique needs of SFA. Two measures not address in these studies that are common practices are – average conversation time in seconds and % of calls handled by the CSR.

Performance Metric	Project EASI-Best Practices Study	1998 SOCAP Customer Contact Study	1998 Purdue & Ameritech Study: Call Center Benchmark Report: All Industries
Average # of call per month	*	15,600	436,416
Calls blocked (%)	< 2	4	5
Abandon rate (%)	< 2	4	6
Avg. speed of answer (secs)	80% within 18 sec.	25	60
Avg. number of rings per call	80% within 3 rings	*	*
Avg. wait time in queue (secs)	< 15	*	34
Avg. length of call (minutes)	*	3.5	17.75
Calls handled by generalist on first contact (%)	80	*	*
Resolved on first contact (%)	> 90	90	77
Service level (X% within y seconds)	*	80/20	78/36
Average CSR occupancy rate	*	69	77
Average cost per call	*	\$4.25	\$2.79
Supervisor to CSR ratio	1:12	1:10-12	1:14
CSR attrition rate (%)	*	*	17
Surveys used to measure satisfaction (%)	*	79	76
CSR evaluated on customer satisfaction (%)	*	38	45
% calls handled completely by VRU	30	30	*
24 hour service available (%)	*	19	36

* Not included in study



Summary of Experts

Presentations were given by Giga and Avaya/Lucent to discuss the trends in CRM. A site visit was conducted at the Census 2000 – Telephone Questionnaire Assistance Call Center in Troy, Michigan. Each of these organizations is summarized below.

Giga

Giga Information Group, Inc. is a leading e-business advisor which provides various companies and institutions with valuable objective research, advice and technology consultation. Rooted in both technology and process analysis, Giga helps its clients make strategic decisions necessary for survival in the digital economy.

Giga Information Group Inc. is in the business of providing objective analysis and findings on information technology (IT) products, technologies, issues, vendors, and markets. As a result, Giga realizes its professional responsibility to remain objective in its relations with IT vendors, users and investors. Furthermore, Giga has developed a number of principles by which it abides to ensure that objectivity remains a primary concern.

Giga's research process is motivated by client inquiries, external events and trends, and analyst insight and focuses on the economic, technical, and managerial aspects of the e-business world. By partnering the experience and knowledge of Giga's advisors with the leading e-business techniques of companies and institutions around the world, the company provides deeply insightful, practical research.

The company began in April of 1996 and has grown to include a global client base of more than 1,000 organizations and over 118,000 licensed users; this makes it the fastest growing company in the IT advisory industry's history. In September 1999, Boston Business Journal ranked Giga the 11th fastest growing publicly held company in Massachusetts, based on revenue growth from 1996 to 1998.

Senior analyst Elizabeth Herrell and vice president Erin Kinikin delivered the presentation on CRN trends in call centers. Herrell specializes in contact center infrastructure and application, computer telephony integration, enterprise voice and data convergence, voice communication systems, PBX systems and speech recognition. Prior to joining Giga, Herrell worked on developing strategy for contact centers and forecasting market trends for voice and data applications. Kinikin works on CRM, focusing specifically on the applications and business processes necessary to get, keep, and grow customer relationships. She began her career at IBM, where she worked with Fortune 500 companies to define, deliver and manage customer and retail applications.



Avaya/Lucent Technologies

Lucent Technologies is a world leader in providing messaging, call centers, voice and data communication systems and structured cabling. Lucent's new Avaya Communication boasts the broadest product portfolio for CRM, business communication systems, and in-building wireless while also possessing the most flexible, adaptable architecture in business communication.

Lucent's e-Government solutions are based upon an open and dynamic communication model which results in direct cost efficiencies. Through its consulting practice, the company offers multi-vendor solutions supported by a network of expert services. Lucent's outstanding record in the e-Government industry is evident through the many awards and recognition it has garnered from its impressive suite of products.

The CRM solutions delivered by Lucent include technologies and business procedures built around citizens. This practice involves pervasive electronic interaction, collaboration and transaction processing across a virtual enterprise. Such a practice is supported by current trends within the e-Government practice which suggest that by the year 2002/3, more than 40% of government IT organizations will develop architectures for direct constituent call center services, moving beyond traditional technology models. Ultimately, Lucent develops a comprehensive, agency-wide initiative, permitting citizens to experience a holistic government agency experience.

Census 2000 – Telephone Questionnaire Assistance

Under the Telephone Questionnaire Assistance Program, EDS and its partners are operating approximately 30 user-friendly toll-free call centers throughout the nation to help citizens and residents accurately respond to Census 2000 questions. During the 5-month period from March to July 2000, the EDS system has handled approximately 6 million incoming calls and initiated another 2.3 million calls to resolve discrepancies or obtain missing information on forms already submitted. Of the six million inbound calls made to the centers, 5.5 million came in during a four-week period. The busiest hour clocked in with 104,000 calls (more than 1,733 per minute), and the busiest day netted 600,000 calls. Approximately 50% of the calls were routed through interactive voice response units.

The Census 2000 initiative required several vendors to work together. To manage the variety of systems at the multiple vendors, certain requirements were specified to ensure consistency of service. The network of Call Center sites processes calls using both local and browser based operator support systems. Servers at each site house training and knowledge base applications. The Inbound Command Center houses the primary GeoTel Intelligent CallRouter (ICR), Network Interface Controller (NIC), and Administrative



Workstation (AW). Each call center is equipped with a primary and secondary GeoTel Peripheral Gateway (PG), Automatic Call Distributor (ACD), Computer Telephony Integration (CTI) link, Agent Workstations, and a firewall with connectivity to FTS2000 circuits. A backup Command Center houses the secondary ICR, NIC, and AW, providing redundancy and continuity of operations.

Internal Revenue Service – Joint Operations Center

The Internal Revenue Service (IRS) – Joint Operations Center (JOC) serves as the routing source for all calls to the 25 Call Centers for the IRS. The JOC operates as the command center source for a Virtual Call Center environment. The mission of the JOC is “To Provide World-Class Service, Support, and Technology, for Operating Divisions and Functional Organizations to Achieve Their Desired Service Levels for All Telephone, Correspondence, and Electronic Media Inquiries Within Agreed Resource and Staffing Parameters.”

Since its inception, the JOC has taken on the responsibility to execute the following components of the IRS Call Centers:

- Manages the 1040 (English and Spanish), 8815, 4262, NTA, ACS, and CI Product Lines
- Monitors Call Distribution in **Real-time** 24 X 7
- Monitors Customer Service Delivery in **Real-time** 24 X 7
- Monitors Adherence to Staffing Schedules and Agent Utilization in **Real Time** 24 X 7
- Monitors Variances From Operational Objectives in Real-time 24 X 7
- Reacts to Variances As Needed
- Adheres to “Go-to” Decision Criteria When Executing “Go-to” Plan
- Adheres to Customer Service Negotiated Agreement Provisions



Participants

The Best-In-Business sub-team consisted of several SFA employees and vendors from the Call Centers. The team members were:

- Denise Hill – SFA, Office of the CIO (sub-team lead)
- Barbara Bolden – SFA, Public Inquiry Contract, Students Channel
- Dee Carter – SFA, Customer Support Branch, Schools Channel
- Sandy England – SFA, Electronic Commerce Application Development
- Vince Ferrer – SFA, Ombudsman Office
- Dan Oppermann – SFA, San Francisco Region, Debt Collection Services
- Lynette Cameron – ACS, Direct Loan Servicing
- Michael Figgins – Andersen Consulting, Modernization Partner
- Chris Peterson – ACS, Direct Loan Servicing
- Chuck Priddy – EDS, Direct Loan Origination
- Paul Steinhauer – NCS, CPS Customer Service and FAFSA on the Web

Additional stakeholders are:

- CRM Call Center IPT Core Team
- Call Center Vendors
- Call Center Customer Service Representatives
- CRM Call Center IPT Sponsor
- SFA Management Council

The Meeting Schedule for the team was once every week with the following results:

6/6/2000 2:00	7/18/2000 2:00
6/13/2000 2:00	7/25/2000 2:00
6/27/2000 2:00	7/26/2000 8:00
7/5/2000 10:00	8/1/2000 2:00
7/11/2000 2:00	8/8/2000 2:00
7/18/2000 8:00	



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